



## Press Clipping Article

**Title:** Altering tobacco

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Kentucky would potentially put millions of dollars at risk if lawmakers choose to alter a national tobacco settlement, Attorney General Greg Stumbo said in a letter this week.

### Article:

Kentucky would potentially put millions of dollars at risk if lawmakers choose to alter a national tobacco settlement, Attorney General Greg Stumbo said in a letter this week.

Stumbo said state officials should seek a judge's ruling that would tell the state exactly what's at stake before legislators decide whether to take any action.

The letter, dated Thursday, was in response to Rep. Rob Wilkey, D-Franklin, who asked Stumbo for an opinion on the matter. Wilkey has been an opponent of a plan touted by the governor that would have tobacco companies pay a flat tax of about \$4 per carton on all cigarettes sold in Kentucky.

Gov. Ernie Fletcher has said the state could collect \$150 million in additional money from the national tobacco settlement by renegotiating its terms. Opponents have claimed such a move could risk millions Kentucky is already getting from the settlement.

Under the 1998 agreement, 46 states agreed to end lawsuits against some of the major tobacco companies in exchange for about \$206 billion in annual payments spread out over more than 20 years.

Stan Cave, Fletcher's chief of staff, said Stumbo's letter did not mention anything prohibiting the state from moving ahead with the governor's proposal.

"For every four dollars paid for cigarette sales in Kentucky, only two dollars are returned to Kentucky, the balance being used to subsidize other states like New York and California," Cave said. "That is not fair or equitable and must be remedied."

Deputy Attorney General Pierce Whites said the state has come to rely on the revenue from the settlement. Changes could jeopardize that revenue stream, Whites said.

"If you tinker with one part of it, you may be putting other parts in jeopardy," Whites said.

Although the measure has had some discussion in legislative committees, no bills had been filed as of Friday.

Wilkey said Stumbo's letter reinforced people who want to keep the current settlement structure in place.

"The proposal put forth by the administration doesn't fix the problem and creates a much larger problem for Kentucky," Wilkey said.

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